

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF COLUMBIA GAS OF	)	
KENTUCKY, INC. TO IMPLEMENT A SMALL	)	
VOLUME GAS TRANSPORTATION SERVICE, TO	)	CASE NO.
CONTINUE ITS GAS COST INCENTIVE	)	1999-00165
MECHANISMS, AND TO CONTINUE ITS	)	
CUSTOMER ASSISTANCE PROGRAM	)	

FIRST DATA REQUEST OF COMMISSION STAFF  
TO INTERSTATE GAS SUPPLY, INC.

Interstate Gas Supply, Inc. ("IGS"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due August 18, 2003. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Item 3(c) of IGS's response to the Commission Staff's First Data Request to IGS and Exhibits C-1 through C-4 of that response. The exhibits indicate that, in its Winter 2000 Marketing Material, IGS marketed a percentage discount to customers while, in its Spring 2001 and Fall 2001 Marketing Material, IGS marketed fixed price products.

a. Is this summary description of IGS's marketing efforts accurate? If no, explain how IGS's marketing efforts differed from this description.

b. For each of the eight rate products identified in the response, provide the time period when IGS actively marketed the program to customers of Columbia Gas of Kentucky, Inc. ("Columbia").

c. Provide the number of customers served under each of the eight rate products, by month, starting with December 2000 and continuing through the most recent month available.

2. Refer to Item 3(d) of the response to Staff's First Data Request to IGS. The second paragraph of the response explains that prices for customers in the first 12 months on the program are compared to Columbia's Expected Gas Cost ("EGC") while after 12 months the comparison is to Columbia's Gas Cost Rate ("GCR"). The third paragraph, in the last sentence, refers to customers who were in the program for 12 months or more, but states that the comparison was to the EGC, not the GCR. Provide an explanation of this apparent discrepancy in the two sections of the response.

3. Exhibit A of the response to Staff's First Data Request to IGS indicates that customers participating in the Customer Choice Program of Columbia Gas of Ohio saved an average of 10 percent on the commodity portion of their bills from April 1997 through April 2003. The calculated savings for IGS customers participating in Columbia's program equal approximately 3.5 percent, based on the information in Exhibits D and E of that response. As a marketer in Ohio, provide IGS's explanation for why the percentage of savings for Ohio customers is roughly three times that of Kentucky customers.

4. Refer to Exhibits D and E of the response to Staff's First Data Request to IGS. Earlier in the response IGS explains the differences in how the exhibits were prepared and points out that Exhibit E includes May 2003 while Exhibit D only goes through April 2003. It appears that using a different methodology in Exhibit E, absent the addition of May 2003, reduces the calculated net savings from the \$2.79 million in Exhibit D to \$2.57 million. Is this statement accurate? If no, explain why.

5. Refer to Exhibits D and E of the response to Staff's First Data Request to IGS. The savings to customers in the first 4 months it participated in the program (December 2000 through March 2001) were \$1.8 million while savings in the final 3 months shown in Exhibit E (March 2003 through May 2003) were \$2.86 million. These two amounts, from just 7 of the 30 months that IGS participated in the program, total roughly \$4.7 million, while the overall savings for the full 30 months is shown as \$3.1 million. Those months also represent the seven highest individual monthly savings amounts during this period. Explain why these results occurred and describe the factors that contributed thereto.

6. Refer to Item 10(b) of IGS's response to Columbia's Initial Data Request to IGS where it objects to and declines to provide the cost of the software in which it has invested to serve Kentucky customers. IGS states that the cost of the software is not "reasonably calculated to lead to the discovery of admissible information." It also indicates that the information is confidential and proprietary.

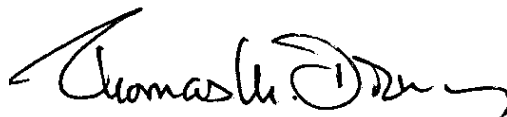
a. Given that IGS referred to its "substantial" investment in software in its petition in this proceeding, explain why it claims that providing the cost is not reasonably calculated to lead to the discovery of admissible information.

b. Explain whether IGS believes its investment in software to serve its Kentucky customers is relevant to this proceeding. If no, explain why a reference to this investment was included in IGS's petition. If yes, explain why IGS should not provide the cost. IGS is reminded that there are provisions for requesting confidential treatment of information that is confidential and proprietary.

7. Refer to Item 10(f) of IGS's response to Columbia's Initial Data Request to IGS where it objects to and declines to provide the cost of the customer service department in which it has invested to serve Kentucky customers. IGS states that the cost is not "reasonably calculated to lead to the discovery of admissible information." It also indicates that the information is confidential and proprietary.

a. Given that IGS referred to its "substantial" investment in the customer service department in its petition in this proceeding, explain why it claims that providing the cost is not reasonably calculated to lead to the discovery of admissible information.

b. Explain whether IGS believes its investment in the customer service department to serve its Kentucky customers is relevant to this proceeding. If no, explain why a reference to this investment was included in IGS's petition. If yes, explain why IGS should not provide the cost. IGS is reminded that there are provisions for requesting confidential treatment of information that is confidential and proprietary.



Thomas M. Dorman  
Executive Director  
Public Service Commission  
P. O. Box 615  
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DATED: August 5, 2003

cc: All parties

Case No. 1999-00165